Docket No.: 60843.300101

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:	PETERSON et al.		
Application No.:	09/423,025	Group No.:	3621
Filed:	10/28/1999	Examiner:	OBEID, Mamon A.

For: DIGITAL CONTENT VENDING, DELIVERY, AND MAINTENANCE SYSTEM

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APPEAL BRIEF (37 C.F.R. § 41.31)

This brief is in furtherance of the Notice of Appeal, filed in this case on September 12, 2008.

The fees required under § 41.20, and any required petition for extension of time for filing this brief and fees there for, are dealt with concurrently with submittal in the Office's EFS-Web system.

This brief contains these items under the following headings, and in the order set forth below (37 C.F.R. § 41.37(c)(1)):

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The final page of this brief bears the practitioner's signature.

I REAL PARTY IN INTEREST

(37 C.F.R. § 41.37(c)(1)(i))

The real party in interest in this appeal is Digital Delivery Networks, Inc., a Delaware corporation of 269 Mount Herman Road, Suite 200, Scotts Valley, California 95066, which is assignee of the entire right, title and interest to the invention in the United States and in all foreign countries.

II RELATED APPEALS AND INTERFERENCES

(37 C.F.R. § 41.37(c)(1)(ii))

With respect to other appeals or interferences which may be related to, that will directly affect, or be directly affected by or have a bearing on the Board's decision in this appeal, there are no such appeals or interferences.

III STATUS OF CLAIMS

(37 C.F.R. § 41.37(c)(1)(iii))

The status of the claims in this application are:

A. TOTAL NUMBER OF CLAIMS IN THE APPLICATION

Claims in the application are: 1-31

B. STATUS OF ALL OF THE CLAIMS

1. Claims rejected: 12-15 and 26-31
2. Claims allowed or confirmed: NONE
3. Claims withdrawn from consideration: NONE
4. Claims objected to: NONE
5. Claims canceled: 1-11 and 16-25
6. Accordingly, the pending claims are: 12-15 and 26-31

C. CLAIMS ON APPEAL

The claims on appeal are: 12-15 and 26-31

IV STATUS OF AMENDMENTS

(37 C.F.R. § 41.37(c)(1)(iv))

An amendment was filed on 07/28/2008, which is subsequent to the currently outstanding final rejection. The Advisory Action dated 08/07/2008 indicates that the amendment has not been entered. This is discussed further in section VII. ARGUMENT.

V SUMMARY OF CLAIMED SUBJECT MATTER

(37 C.F.R. § 41.37(c)(1)(v))

As an initial point, it should be noted that this application claims benefit from a provisional application filed on September 11, 1997. Appellant urges that this be kept in mind while reading the following.

Appellants' invention comprises methods, apparatuses, and articles of manufacture for vending, delivering, and maintaining digital content. In the claims now remaining in this application, claims 12-15 recite a method for marketing digital content, claims 26-28 recite a system (apparatus) for marketing digital content to a user on a personal computer, and claims 29-31 recite a unit (article of manufacture) unit for use in marketing digital content to a user of a personal computer.

Digital content encompasses essentially any product or service that can be provided in digital format, that is, that can be treated collectively as bags of bits (BOBs) (*specification, pg. 1, ln. 12-32*). In all of these, "delivering" the digital content is a sublime part of the marketing function – based on the novel concept that the digital content is already present in a computer hard drive and merely requires completion of other vending related tasks before a user can use the digital content.

Two analogies are used in the specification: the vending machine and the village square. The vending machine analogy in particular serves now to understand the claims (*pg. 7, ln. 11-24*). In essence, the present invention turns a computer hard drive into a vending machine of digital content. FIG. 1a depicts this, wherein a digital content vending "machine" (DVCM 10) comprises a personal computer (PC 14) was a hard drive (20) that includes an inventory (18) of assets (22) of digital content (*see also pg. 8, ln. 1-19*).

Simply put, it was the inventors' realization that empty hard drives (20) represented (and continue to represent) a wasted marketing opportunity. In 1996-1997 typical hard drives had 1GB to 4GB capacities (*pg. 8, ln. 24-25*; and today 750GB to 3TB capacities are widely available). A portion, most, or even all of this capacity in a hard drive (20) can be filled with assets (22) of digital content, turning a PC (20) that comes with or that has the hard drive (20) later installed into it into a DVCM 10. This provides many benefits and advantages, including, for example, a new marketing mechanism; a marketing mechanism that operates at electronic speeds and eliminates purchase-time communications bottlenecks; a marketing mechanism that provides ambivalence to the product nature (where what the digital content is in a BOB becomes essentially irrelevant); a marketing mechanism that eliminates the need to have vendors and financial intermediaries physically available, yet one that uses conventional, time proven, widely understood, and trusted transaction interrelation between consumers, financial intermediaries, and vendors; a marketing mechanism that provides a substantial "in stock" inventory of digital content that is always geographically local and purchasable at any time of day; a marketing mechanism that is economical for all involved; and a marketing mechanism that protects the interests of all parties involved (protecting the assets from theft, meeting the customer's expectations, and providing audit ability) (*e.g., pg. 4, ln. 1-11 and pg. 5, ln. 4 through pg. 6, ln. 10*).

Turning now to independent claim 12, this recites a method for marketing digital content that comprises steps (a)-(f). Step (a) is "storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user, wherein said assets are instances of the digital content and are protected from unauthorized use by a digital wrapper requiring at least one key for unwrapping." Support for this is present in FIG. 1a, which depicts a digital content vending machine (DVCM 10) that includes a personal computer (PC 14) having a hard drive (20) in which an inventory (18) of assets (22) of digital content are stored (*see also pg. 8, ln. 1-19*). Delivery on a new PC (14) is discussed at pg. 8, ln. 19 and particularly at ln. 31 through pg. 9, ln. 6 (additional on this is discussed at pg. 14, ln. 10-16 and shown in FIG. 4). Protecting the assets (22) from unauthorized use by a digital wrapper requiring a key (58) for unwrapping is particularly disclosed at pg. 9, ln. 25 through pg. 10, ln. 24, with some elements of this that are sent between parties shown in FIG. 2b.

Step (b) of claim 12 is "subsequent to said delivery of said personal computer to said user, displaying on the personal computer information about said inventory." FIGS. 5, 6-9, and 10a-e show various aspects of displaying information about the inventory (18). FIG. 5 depicts a representative client (12) that can operate on the PC (14) for this (*see also, pg. 15, ln. 16 through pg. 16, ln. 9*), whereas FIGS. 6-8 depict a GUI (including a village view (210), store view (230) and asset view (260) in accord with the village square analogy noted above) in use to display such information. Whereas FIG. 9 shows the GUI being used to purchase assets (22) in a checkout view (280) (*pg. 16, ln. 9 through pg. 18, ln. 15 discuss FIGS. 6-9*). FIGS. 10a-e show other aspects of displaying information about the inventory, with FIGS. 10a-d particularly showing inventory/asset search capabilities within the GUI and FIG. 10e showing the GUI at a top level in accord with village square analogy (*see also, pg. 18, ln. 16 through pg. 19, ln. 31*).

Step (c) of claim 12 is "accepting a selection representing a particular said asset from said user." FIGS. 6-8 particularly show selecting assets (22) in the village view (210), store view (230) and asset view (260) (*see also, pg. 16, ln. 9 through pg. 17, ln. 11*). Note further, FIG. 9 shows confirming selection and paying for selected assets (22) (*see also, Pg. 17, ln. 12 through pg. 18, ln. 15*).

Step (d) of claim 12 is "transmitting money representing payment for said selection and an identifier associated with said selection from the personal computer to a clearing house, via a communications system." FIG. 2b shows an overview of this. Money (52) and an identifier (54) for a selection (i.e., an asset (22) of digital content) are sent to a clearing house (50) (*see also pg. 9, ln. 25 through pg. 10, ln. 16*). The clearing house (50) and the PC (14)(here hosting a village (46) GUI in the client (12) at the PC (20)) are separate and a communications system is used. Communications systems (including the Internet (122), *e.g. FIGS. 3 and 11*) are discussed throughout the specification.

The clearing house (50) here merits some additional discussion, and the following summarizes much of claim 12 as well. As discussed in the specification:

> ... and all [the customers and vendors] can invoke the assistance of a financial intermediary termed a clearing house **50**. The clearing house **50** facilitates complex purchase scenarios, permits large numbers of stores **44**, and more dynamically provides service to both the customers **40** and the vendors **42**. In a typical example purchase scenario, a customer **40** transmits money **52** and an identifier **54** to the clearing house **50**. The

> clearing house **50** then credits the account of the particular vendor **42**, and transmits back to the customer **40** a key **58**. (*pg. 9, ln. 26-32*).

Step (e) of claim 12 is "receiving at least one key associated with said selection at the personal computer." FIG. 2b also shows this, with a key (58) (or keys plural) being sent to the PC (14) (*see also, pg. 9, ln. 30 through pg. 10, ln. 6*, where two keys (58) are discussed).

Finally, step (f) of claim 12 is "unwrapping said digital wrapper protecting said selection using all said keys required for said selection." Again, FIG. 2b shows the "flow" of the keys (58) in an example, and pg. 9, ln. 30 through pg. 10, ln. 24 discuss a "typical scenario" as well as a number of variations encompassed by this.

Turning now to claim 13, this depends from claim 12 and recites a method for marketing digital content wherein step (e) includes "1) receiving at the personal computer a first said key from said clearing house; 2) transmitting from the personal computer said first said key to a master server, via said communications system; and 3) receiving back at the personal computer a second said key from said master server." In the specification these are all particularly discussed as part of a "typical scenario" example, wherein:

> The clearing house 50 ... transmits back to the customer 40 a key 58. Next ... the customer 40 sends this key 58, or part of it, on to the master server 48, which sends back another key 58 [and] the infrastructure 16 uses this second key 58 to digitally "unwrap" an asset 22 of inventory 18, which has now been "purchased."" (*pg. 9, ln. 30 through pg. 10, ln. 24; see also, FIG. 2b*).

This multi-key arrangement provides a number of advantages. For example, in the financial aspect the customer deals with a trusted clearing house (e.g., a bank) rather than a possibly unknown vender. The first key (58) received from the clearing house (50) then is effectively a receipt for the payment having been made and a claim ticket for the purchase. The customer (40) can then provide this key (58) to the vender (e.g., to a master server (48) they control (*FIG. 2b*)) to receive a second key (58) that is what is actually used (or concurrently required) to unwrap the purchase.

Turning now to claim 14, this depends from claim 12 and recites a method for marketing digital content "wherein said (b) through said (f) are performed using a graphical user interface that presents said assets metaphorically as merchandise and units of service in aisles of stores." As already noted in passing above, FIGS. 6-8 depict a GUI including a village view (210), store view (230) and asset view (260) in accord with the village square analogy noted in

the opening paragraphs above, and FIG. 5 is a navigational overview of this that particularly includes a village template (150), store template (162), and aisles (164) of the inventory (18) of assets (22) (*see also, pg. 15, ln. 16 through pg. 16, ln. 9*).

Turning now to claim 15, this depends from claim 12 and recites a method for marketing digital content "wherein said graphical user interface further presents said stores metaphorically as a member of the set consisting of villages, town squares, shopping centers, and malls." In addition to the general discussion at pg. 7, ln. 25-34 of this as one of the two major analogies used to discuss the invention throughout the specification, FIG. 10e and pg. 19, ln. 24-31 provide additional support for these.

Turning now to independent claim 26 (and dependent claims 27-28), this recites a system for marketing digital content to a user on a personal computer (14) that includes two major elements: a hard drive (20) and a logic. The hard drive (20) is installed in the personal computer (20) and stores an inventory (18) of assets (22) that are instances of the digital content and that are protected from unauthorized use by a digital wrapper requiring at least one key (58) for unwrapping (*see FIGs. 1a and 2b, pg. 8, ln. 1 through ln. 19 and pg. 9, ln. 25 through pg. 10, ln. 23*).

In large part, claim 26 is an apparatus that performs the method of claim 12. The Office has taken the position in the examination of claim 26 that the issues for it are the same as those for claim 12, and Appellant accepts this. Similarly, the Office has taken the position in the examination of dependent claims 27-28 that the issues for these are the same as those for claims 12-15 and Appellant also accepts this.

Turning now to independent claim 29 (and dependent claims 30-31), this recites a unit for use in marketing digital content to a user of a personal computer (14). This unit comprises a hard drive (20) for installation into the personal computer (14), wherein the hard drive (20) stores an inventory (18) of assets (22) that are instances of the digital content, and wherein at least one such asset (22) is an executable software that is pre-configured to run from the hard drive (20) once it is installed in the personal computer (14). And here also the assets (22) are protected from unauthorized use by a digital wrapper requiring at least one key (58) for unwrapping. In some parts claim 29 is an article of manufacture that may be used by the methods of claim 12-15 or in the apparatus of claims 26-28. The text underlined above for emphasis, however, shows some significant differences from the other claims in this case.

The Office has taken the position in the examination of claims 29-31 that the issues for these are the same as those for claims 12-15. With respect to the elements and limitations underlined above, however, Appellant does not agree, for reasons discussed presently.

The features of claims 29-31 that do correspond with claims 12-15 have already been discussed and support for these has already been cited (*e.g., FIGs. 1a and 2b, pg. 8, ln. 1 through ln. 19 and pg. 9, ln. 25 through pg. 10, ln. 23*). As for the other features, that an asset (22) can be executable software is discussed throughout the application (*see e.g., pg. 1, ln. 13; pg 2, ln. 12 through pg. 3, ln. 31; pg. 8, ln. 11-13; etc.*). And that such executable software can further be pre-configured to run from the hard drive (20) once it is installed in the PC (14) is a particular advantage of the claimed invention (*see e.g., pg. 10, ln. 33 through pg. 11, ln. 7; and pg. 21, ln. 16-19*). For instance, a customer should have a high degree of confidence that the software will work and the vendor will be able to reduce the burden of providing customer service when users miss install or initially configure the software.

VI GROUND OF REJECTION TO BE REVIEWED ON APPEAL
(37 C.F.R. § 41.37(c)(1)(vi))

A. Whether claims 12-15 and 26-31 are indefinite, and thereby unpatentable under 35 U.S.C. § 112, second paragraph.

B. Whether claims 12-15 and 26-31 are obvious over Subler (US Pat. No. 5,646,992) in view of Hurley (US Pat. No. 5,984,508), and thereby unpatentable under 35 U.S.C. § 103(a).

VII ARGUMENT
(37 C.F.R. § 41.37(c)(1)(vii))

VII(A) ARGUMENTS — PRELIMINARY COMMENTS

The handling of the rejection under 35 U.S.C. § 112, second paragraph has "odd" procedural aspects that have left the claims reading as they now do. The Examiner rejected claims 12, 26, and 29 (*Action dated 10/31/2007, items 5-7, pg. 3*); Appellant traversed (*Response on 03/17/2008, pg. 2*); and the Examiner again rejected, stating "The Examiner suggests replacing the phrase "all said keys" with "said at least one key"" (*Action dated 06/12/2008, items 4-6, pg. 2*). In a responsive spirit, and pragmatically feeling the suggested amendment to be benign, Appellant then amended as suggested (*Response on 07/28/2008*); and the Examiner then refused entry of the very amendments that he himself had suggested (*Advisory Action dated 08/07/2008*). Below is an example:

> 12. A method for marketing digital content, comprising:
>
> a) storing an inventory ... protected ... by a digital wrapper requiring at least one key for unwrapping;
>
> ...
>
> f) unwrapping said digital wrapper ... using ~~all said keys~~ said at least one key required .... (*mark-up here as it appeared in the amendment*)

Claim 26 is directly analogous in this respect to claim 12, and claim 29 is indirectly analogous (with claim 30 actually containing the putative indefinite element).

In the course of all of this, Appellant further observed that claim 27 recites an incorrect dependence and requested amendment of this too (*Response on 07/28/2008*). And the Examiner has also refused entry of this amendment (*Advisory Action dated 08/07/2008*), thus leaving claim 27 reading "27. The system of claim 27, wherein ...."

These illustrate the unfortunate recent tone of this prosecution, but should not delay us resolving the substantive issues.

VII(B) ARGUMENTS — REJECTIONS UNDER 35 U.S.C. § 112, SECOND PARAGRAPH

Claims 12-15 and 26-31 have been rejected as being indefinite. Respectfully the rejection is error because it does not apply the appropriate standard for § 112, ¶2. As recited in § 112 and

long accepted, this standard is that of one of ordinary skill in the art. But here the Examiner has failed to apply that standard, or even to apply the standard of one having ordinary skill in the English language.

The rationale expressed for this rejection is that:

> Claims 12, 26 and 29 recites [SIC] the limitation "all said keys". There is insufficient antecedent basis for this limitation in the claim. The Examiner is confused about the number of keys required to unwrap the digital wrapper. There is a possibility that the user can unwrap the digital wrapper using one key ("receiving at least one key"), which contradicts with, for example, the limitation ("unwrapping said digital wrapper protecting said selection using all said keys required for said selection") of claim 12. (*Action dated 06/12/2008, item 6, pg. 2*)

This is obtuse or specious.

One of ordinary skill in the English language will appreciate that 'requiring at least one object for an operation' and then 'using all of the objects required for that operation' is clear and unambiguous. If one object is required, then one object is used; if two objects are required, then two objects are used. Furthermore, one of ordinary skill in the art of cryptography will particularly know that digital content can be encrypted/decrypted with multiple keys, and that when one key is required then one key is used and that when two keys are required then two keys are used, etc.

VII(C) ARGUMENTS — REJECTIONS UNDER 35 U.S.C. § 103

VII(C)(i) THE REJECTION OF RELATED CLAIMS 12-15

VII(C)(i)(a) No *prima facie* case has been established to reject independent claim 12

Claim 12 is rejected as obvious over Subler (US Pat. No. 5,646,992; hereinafter Subler) in view of Hurley (US Pat. No. 5,984,508; hereinafter Hurley). This is error because the Examiner has failed to establish a *prima facie* case for obviousness.

Claim 12 starts:

> 12. A method for marketing digital content, comprising:
>
> a) storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user, wherein said assets are instances of the digital content and are protected from unauthorized use by a digital wrapper requiring at least one key for unwrapping; .... (*underline used here and hereinafter for emphasis*)

The Examiner has ignored the underlined portion of claim 12 above in the prosecution of this case while "jumping ahead" to argue Subler first. However, "storing an inventory of assets in a

hard drive of a personal computer prior to delivery of said personal computer to a user" includes major points of novelty in this invention, and provide major advantages over the prior art, and these should be what are considered first, rather than merely as an afterthought.

Accordingly with regard first to Hurley, the Actions devote only one-half of a sentence about Hurley when making the rejection, stating that "... Hurley discloses storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user (see at least column 1, lines 8-27)" (*Action dated 10/31/2007, item 11, pg. 5; and Action dated 06/12/2008, item 9, pg. 4*). The value of this assertion in supporting the rejection is questionable, and this assertion is simply incorrect.

The Actions here merely cite part of a generalized opening statement in Hurley's Background of Invention section. As an initial concern, expressed to the Examiner and still un-replied to, there is the substantial question of whether this is even an enabling teaching (*Response on 03/17/2008, pg. 4, ln. 20-25*). For reasons that will become clear below, we urge that it is not.

More importantly, however, the assertion is outright wrong. The Examiner seems to have overlooked what this cite in Hurley actually says, and how that strongly teaches away from Appellant's claimed invention as well as from Subler (undermining its suitability for combination here with that reference).

The cite is worth parsing in detail, it states:

> The present invention relates generally to the field of sales of computer software and other digital or analog information. More particularly ... it relates to *[1]* software that is provided other than by purchase or license of packaged software stored on a physical medium, such as electronically distributed software, i.e. software that is delivered to the customer electronically, rather than through physical distribution methods. *[2]* Such software can ... come pre-installed on the hard drive of a computer system ... *[3]* Software distributed in such ways ... is typically provided as a demo copy which can be "unlocked" to give the customer the features of the full product. Most especially, it *[this invention] [4]* relates to a system, method and article of manufacture for verifying that a user has disabled software or other digital or analog information that the user wishes to return for credit. (*col. 1, ln. 8-27*)

The added bracketed-references here are for points that merit particular consideration.

At reference [1] it is stated that Hurley's invention "relates to software that is provided other than ... software stored on a physical medium." This cannot be reconciled with Appellant's

claim 12, which recites "an inventory of assets [stored] in a hard drive of a personal computer." A hard drive is a physical storage medium, and Hurley here explicitly states that it relates to something other than what is stored in such.

This is a major error in the rejection of all of the claims it issue. In the combination of Subler and Hurley, Subler clearly does not teach a hard drive and is not argued by the Office as doing so, whereas essentially the only teaching of Hurley that is relied on by the rejection is that it purportedly teaches a hard drive – and it does not.

Continuing with reference [1] this goes on to state that Hurley's invention relates to "electronically distributed software, i.e. software that is delivered to the customer electronically, rather than through physical distribution methods." This clearly cannot be reconciled with Appellant's claim 12, which relates to assets (potentially software and much more) that are pre-stored in a hard drive. In sum, Hurley relates to electronically delivered software and the present invention relates to physically delivered software.

At reference [2] it is stated that "[s]uch software [i.e., that just discussed at reference [1] as being software other than what Hurley relates to] can ... come pre-installed on the hard drive of a computer system." Taken alone this may appear to conflict with what Hurley just stated in reference [1], but noting the language "by purchase or license" there and looking ahead to reference [3] we can see that Hurley here is referring to what is known as free-ware, demo-ware, or (derisively called) shovel-ware in the industry (*see e.g., pg. 3, ln. 1-6 of Appellant's specification*) – and that this is also software other than that which Hurley's invention relates to. Even ignoring that this is Hurley further discussing what it does not relate to, this cannot be reconciled with the "assets" recited in claim 12 (step a), and especially not with "transmitting money representing payment" for such (step d). For that matter, this even more over cannot be reconciled with all of claim 12 when taken as a whole.

At reference [3] it is stated that such software (that which is other than the electronically delivered software that Hurley relates to) "is typically provided as a demo copy which can be "unlocked" to give the customer the features of the full product." There are a number of problems with this as it relates to the rejection of Appellant's claims. First, it is not something that Hurley purports to be teaching. It is a general remark about software other than that to which Hurley's invention relates. Second, it is questionable if this remark by Hurley was even correct when it was made in mid-1997. Hurley had no reason to be precise in its language when it

described what it was not teaching. As the passage of time has shown, pre-installation of pay-to-purchase software on hard drives remains unknown even today. Notably, the Office has not cited a single reference or example of such and all that we have in the record here is one "off the cuff" remark in Hurley that the Examiner has miss interpreted as teaching the opposite of what it actually says. As for whether Hurley can be reconciled with the other limitations in Appellant's claims or properly be combined with Subler, we discuss these issues below.

And at reference [4] it is stated that Hurley's invention "relates to a system, method and article of manufacture for verifying that a user has disabled software or other digital or analog information that the user wishes to return for credit." This is utterly irrelevant to the presently claimed invention. Hurley here explicitly states what problem it solves, and that is one totally different than anything relevant here to the present invention.

Granted, the Response to Arguments says more, but this is conjecture by the Examiner in an attempt to rationalize the previous half-sentence conclusion about Hurley. First, the Examiner misinterprets the Abstract of Hurley as saying more (*Action dated 06/12/2008, item 17.e, pg. 10, last ¶*) but, as can clearly be seen in its very text, this merely discusses "demonstration software that has been downloaded." This cannot be reconciled with Appellant's hard drive based assets that are displayed for purchase. Second, the Examiner states:

> Hurley ... discloses digital content ... which is provided to the end user on storage mediums such as CD- ROM, floppy disk or pre-installed on a computer's hard drive (emphasis added) (column 1, lines 10-20). Hurley in column 1, lines 21 - column 2, lines 13) further discloses the deficiencies that exist with the prior art and suggested solutions for said deficiencies. Hurley states: .... (*Action dated 06/12/2008, item 17.h, pg. 12*)

But here as well we see how the Examiner has missed interpreted Hurley. As discussed above (where the entire paragraph in Hurley at col. 1, ln. 8-27 was parsed and the key text here was identified as reference [2]), what Hurley is actually discussing here is that "[s]uch software [i.e., that just prior discussed at reference [1] as software other than what Hurley relates to] can ... come pre-installed on the hard drive of a computer system." And as for the rest of what is said here (*in item 17.h, pg. 12-14*), we urge that items 17.h.i-v are simply irrelevant. For example, demo versions of software, product returns, loss write-offs due to fraudulent returns, the prior art examples cited in Hurley (with notably not a single one cited by the Examiner in this case), and insuring that software can be returned are all irrelevant to Appellant's claims.

With regard now to Subler and the rest of step a of claim 12, the Examiner asserts that Subler discloses:

> wherein said assets are instances of the digital content and are protected from unauthorized use by a digital wrapper requiring at least one key for unwrapping (see at least column 1, lines 5-6 and 62-63, column 7, lines 10-13, column 9, lines 32-48 and column 16, lines 20-27); (*Action dated 10/31/2007, item 11, pg. 4; and Action dated 06/12/2008, item 9, pg. 3*)

However, this assertion is not supported at all by half the citations here, and otherwise overlooks limitations in the other citations or elsewhere in Subler that cannot be reconciled with claim 12.

At col. 1, ln. 5-6 Subler teaches nothing about protection, merely making a generalized, summarizing statement in its Background of Invention section that does not purport to teach anything. At col. 1, ln. 62-63 Subler similarly teaches noting about protection, merely stating that "digital information is distributed on a high-capacity random access storage medium" (throughout Subler this medium is CD-ROM). At col. 7, ln. 10-13 Subler also teaches noting about protection. This is at least a cite to its Description section, where its invention is being taught, but this is then notable as being a sub-section explicitly labeled "CD-ROM Database" (*col. 7, ln. 9*) and that Subler here discusses items in only that – in a database in a CD-ROM.

At col. 9, ln. 32-48 and col. 16, ln. 20-27 Subler at least has some relevance to protection generally. At col. 9, ln. 32-48 it discusses encrypting information stored in a CD-ROM (explicitly in CD-ROM media). And at col. 16, ln. 20-27 it discusses single or hybrid key encryption schemes (not saying in what media, but one would understand this to be in the same media that it teaches throughout – i.e., in a CD-ROM, and nowhere a hard drive).

In sum, what Subler is teaching at the cites here (and throughout) is clearly with respect to media other than a hard drive.

Continuing with claim 12 (at step b), the Examiner has further asserted that Subler discloses "subsequent to said delivery of said personal computer to said user, displaying on the personal computer information about said inventory (see at least column 3, lines 39-52)" (*Action dated 10/31/2007, item 11, pg. 4; and Action dated 06/12/2008, item 9, pg. 3*). First, here even more clearly than at step a, we urge that one has to look at what media is delivered. Second, the cite here is also worth parsing in detail, it states:

> The publisher can include ... software for previewing, browsing, and ordering all on a single CD-ROM.

> ... [irrelevant ¶]
> The user is provided with a powerful, easy-to-use interface to browse ... and analyze ... a wide range of items and product groupings, to pick ... those ... it wishes to order, to place the order, and then to install the items on his computer. ....

Thus, Subler again (as throughout) is teaching delivering a CD-ROM. In contrast, claim 12 recites delivery of a hard drive in a PC (specifically one installed prior to delivery of the PC to a user). As is well known, the content of a CD-ROM is not displayed to a user of a personal computer unless special software is started that does this. It is not surprisingly that at col. 3, ln. 39-52 (right where the Examiner has here cited), Subler teaches that its CD-ROM includes such software.

Although this applies to step b of claim 12, these points also apply to all of steps c-f. As is well known, the operating system of a PC permits easy and unimpeded access to what is in a hard drive of the PC, but not to what is in a CD-ROM. Both software and data in a hard drive (e.g., the assets of digital content in claim 12) are readily accessible on a PC. Claim 12 does not explicitly recite that steps b-f are performed by local software. [*Intentionally so, to avoid the question of which steps are performed by what particular local software. For example, the displaying in step b and the receiving in step e will likely be handled largely by operating system software that is inherently present in a working PC, whereas the transmitting of money in step d and the unwrapping of step f will usually require additional local software (e.g., the client (12) discussed in section V. SUMMARY OF CLAIMED SUBJECT MATTER).*] Nonetheless, it is well known to those skilled in this art that a working PC has operating system software, and upon reading claim 12 it can be appreciated that this and other local software performs steps b-f. All software is "local" in a PC when it is executed, so what should be further noted here is what is required to make software "local." That is, whether software has to be loaded, and then from what device and what particular device-related steps are involved.

In the case of a CD-ROM, software can either be installed from a CD-ROM onto a hard drive, and then "executed" from there (with execution including loading into the PC's memory and then actual execution from there), or software can be loaded from a CD-ROM directly into a PC's memory and executed from there. For the sake of this discussion, we can term these "CD-ROM installation software" and "CD-ROM execution software."

Next we can contrast "hard drive execution software" against these. CD-ROM installation software becomes hard drive execution software, but only after considerable work

and potential for problems. Obviously, this entails the additional work of installing software from the CD-ROM onto the hard drive, versus simply having the software and any data it needs already on the hard drive to begin with. Not so obvious here, but implicit and notorious to skilled artisans, are the additional work in handling and especially the security concerns related to removable media (including CD-ROMs). For instance, will a PC automatically load, successfully configure, and then execute software from a CD-ROM? Or will a PC require odious and error prone user interactions for installation? And for both CD-ROM based software types, will installation/execution even work (e.g., if one puts a CD with Macintosh software into an Intel-processor based PC)? Further, users presumably can trust software pre-installed on a PC hard drive because it comes from the PC manufacturer or PC vendor (parties having the resources, skills, and very strong incentives to deliver save and assuredly workable software to their customers).

The salient point here is that Subler explicitly teaches the use of CD-ROM based software, and all of the attendant work and problems that go with that. In contrast, Appellant's invention as recited in claim 12 does not suffer from any of this.

These distinctions were also expressed to the Examiner (*e.g., Response on 03/17/2008, pg. 4*) and the Examiner's reply was merely "... the features upon which applicant relies [that] " **the hard drive based approach recited in claim 12 does not require loading or installing software.** ... are not recited in the rejected claim(s)" (*Action dated 06/12/2008, item 17.b, pg. 7, bold in original*). However, this is illogical. Claims should not have to recite what they do not require. Would the Examiner have us recite in claim 12 that special software for loading/executing from a CD-ROM is not required?

Continuing with claim 12 (at step c), the Examiner has further asserted that Subler discloses "accepting a selection representing a particular said asset from said user (see at least column 5, lines 5-30)." (*Action dated 10/31/2007, item 11, pg. 5; and Action dated 06/12/2008, item 9, pg. 3*).. This is a further example supporting the points already expressed above, that many cites simply do not support the assertions being made in the Actions and thus do not support the present rejection. At col. 5, ln. 5-30 Subler merely teaches accepting an order at a remote workstation; not local software accepting a selection that may later be part of an order.

Continuing with claim 12 (at step d), the Examiner has further asserted that Subler discloses "transmitting money representing payment for said selection and an identifier

associated with said selection from the personal computer to a clearing house, via a communications system (see at least column 3, lines 30-31 and column 4, lines 51-64)" (*Action dated 06/12/2008, item 9, pg. 3-4*). Appellant has pointed out that the cites here also do not support the assertion (Subler teaches nothing here about transmitting money, or anywhere about transmitting an identifier or using a financial clearing house).

The Examiner has left the above quoted formal rationale for the rejection unchanged, not rebutting Appellant's point about the cites here and not supporting the rejection. In a Response to Arguments section, however, the Examiner has newly cited FIGs. 20 and 1; col. 5, ln. 19-30; and col. 3, ln. 28-33 of Subler (*Action dated 06/12/2008, item 17.d, pg. 8-9*) with respect to the propositions that Subler teaches a "payment method" (430), and an "Accounting Order Entry Marketing Analysis System" (52); an "Order Taking System" (42). Nonetheless, the underlined portions of the assertion quoted above are not supported even by the new citations.

First, there is nothing in the new cites to Subler about transmitting a selection identifier from a personal computer to a clearing house. Granted, in many commercial transactions some sort of identifier is transmitted somewhere, but without any cite to any support for such in any prior art reference there is no reasonable opportunity for Appellant to argue appropriateness, relevance, or even context here. Respectfully, our Supreme Court recently felt it important to reiterate and remind us all that "there must be some articulated reasoning with some rational underpinning to support [a] legal conclusion" (*KSR, 550 U.S. at ___, 82 USPQ2d at 1396 wherein the Court was quoting In re Kahn, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006)*). The Examiner has not done this here.

Second, apparently reasoning with respect to a clearing house somehow being implied the Examiner has stated "*... Subler discloses an online, cashless payment system (e.g. using s* [SIC] *credit card); payments for selected items must be cleared/ approved by the card issuer before the user can render the items of interest*" (*Action dated 06/12/2008, item 17.d, pg. 9*). With respect to both (individual) selected items and that payment for such must be cleared, the assertions here are at least frequently wrong. Credit card issuers may know information about a merchant and a transaction total, but they rarely know anything about the individual items in a transaction. For example, if one charges $75.00 at a Safeway (TM) grocery store the credit card issuer has no way of knowing whether one is purchasing one item or many, or whether this is for food, alcoholic beverages, or some combination of these (Safeway Corporation has valid

customer privacy concerns and it considers what it does learn here to be proprietary marketing information). Furthermore, since $75.00 may be lower than the average credit card transaction at a given store or may simply be too *de minimus* to merit the extra work of transaction clearance, that a payment must be cleared is an overly broad presumption by the Examiner.

Third, however, this step should be considered in the context of claim 12 as a whole. Step c recites accepting a user selection, step d recites transmitting money and a selection identifier to a clearing house, step e recites receiving a key for the selection, and step f recites unwrapping the selection using the key(s). One of ordinary skill in the art will appreciate here that key release does not occur until there is some form of confirmation of payment by the clearing house. Nothing in Subler, where cited or elsewhere, teaches or reasonably suggests that a credit card issuer does this.

Continuing with claim 12 (at step f, skipping step e in the interest of brevity), the Examiner has further asserted that Subler discloses "*unwrapping said digital wrapper protecting said selection using all said keys required for said selection (see at least column 15, lines 49-56).*" However, this cite also does not support the assertion. Col. 15, ln. 49-56 merely teaches vendor-side key handling and methods to send a key to purchaser. There is nothing here about the user-side and use of keys there.

Continuing with claim 12, after the comments about Hurley already discussed above and after the remarks about the individual claim steps, the Actions state "It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Subler's teachings to include the step of pre-storing digital content in the computer's hard-drive ..." (underline added)(*Action dated 10/31/2007, item 11, pg. 5; and Action dated 06/12/2008, item 9, pg. 4*). Respectfully this on its face is taking just one step of Appellant's claim out of context and ignoring how the rest of the teachings of the reference cannot be applied to the claim as a whole. Additionally, this states no rationale for substituting Hurley's hard drive in place of Subler's CD-ROM, and still having a workable result in view of the rest of Subler's teachings. As discussed above, Subler teaches CD-ROM technology, and special software and processes to work with such. Subler teaches away from hard drives, and Hurley only discusses hard drives to inform us that its invention relates to software other than from such (meaning electronically downloaded software).

The Actions here next state:

> ... before its delivered to the user to 1) ensure the compatibility of the digital content with the computer configuration, 2) to restrict the usage of the digital content to only one computer hard drive and 3) to reduce the cost of delivering the digital content to the user by not using a storage media such as CDROM's. (*id.*)

However, neither Subler or Hurley teach these advantages. In fact, without additional features neither is capable of 1) or 2) when taken alone or taken in combination. In deed, it appears that these advantages can only been seen by the use of 20/20 hindsight based on Appellant's disclosure, and only then if one ignores the other deficiencies in theses references.

VII(C)(i)(b) No *prima facie* case has been established to reject dependent claim 13

The Actions state that Subler discloses "receiving at the personal computer a first said key from said clearing house (see at least column 10, lines 2-5)" (*Action dated 10/31/2007, item 12, pg. 6; and Action dated 06/12/2008, item 10, pg. 5*). However, this is simply not correct. The cite describes an order taking system that generates and provides a key to an end user. This order taking system clearly is a vendor-side system, not one in a financial clearing house (e.g., a bank or similar financial institution).

Continuing, the Actions state that Subler discloses "transmitting from the personal computer said first said key to a master server, via said communications system (see at least column 10, lines 5-11, column 15, lines 49-56 and column 18, lines 39-53)" (*id.*). However, this is also incorrect. At col. 10, lines 5-11 Subler merely teaches that an end user generated request number is sent by that user's workstation to Subler's order taking system (which uses it to encrypt the key it then sends back). There are a number of problems applying this to claim 13. First, it has the order of operations backwards. In claim 13 the personal computer (at the end user side) receives a key and then that key is sent to a clearing house. Next, as already discussed, Subler does not teach or reasonably suggest a clearing house. The Examiner opined with respect to claim 12 that a credit card issuer is equivalent to a clearing house, but this here would now have credit card issuers sending keys to customers of products from vendors (i.e., something utterly unsupported by any cited reference). And next, the only storing taught here in Subler is on a network file server. In contrast, claim 13 recites that the first key goes to the master server "via said communications system." Claim 13 depends from claim 12, where it can be seen that the communications system connects to the clearing house (e.g., is a public network like the

Internet). For the interpretation here in the Actions to apply to claim 13 one would have the ridiculous situation that the clearing house has access to the end user's file server.

At col. 15, ln. 49-56 Subler also does not support the assertion made in the Actions. All this teaches is key generation at the order taker end, and key delivery from there to the end user end. The cite to Subler at col. 18, ln. 39-53, to all of its claim 19 is disingenuous, and begs the question why (if there were any substance to the assertion) this is not an anticipation rejection. In any case, this also does not support the assertion. Nothing here teaches or reasonably suggests a key being transmitted from a personal computer or an end user workstation.

Continuing, the Actions state that Subler discloses "receiving back at the personal computer a second said key from said master server (see at least column 10, lines 5-11 and column 15, lines 49-56)" (*id.*). However, as regards col. 10, ln. 5-11 we have established above that the master server in this claim is not merely an end user network file server, and thus that such a master server is not taught by Subler. Regarding col. 15, ln. 49-56, this teaches that Subler has two keys together at its order taking system. But this is clearly not analogous to claim 13, which has a 1st key from a clearing house and a 2nd key from a master server.

VII(C)(i)(c) No *prima facie* case has been established to reject dependent claim 14

The Actions here state "Subler discloses wherein said (b) through said (f) are performed using a graphical user interface that presents said assets metaphorically as merchandise and units of service in aisles of stores (see at least column 1, lines 31 -40 and column 3, lines 46-52)" (*Action dated 10/31/2007, item 13, pg. 6; and Action dated 06/12/2008, item 11, pg. 5*). However, this is simply wrong. Neither cite has any teaching or reasonable suggestion of stores or of aisles therein, and utterly none for sales of units of service.

VII(C)(i)(d) No *prima facie* case has been established to reject dependent claim 15

The Actions here state:

> Subler discloses wherein said graphical user interface further presents said stores metaphorically as a member of the set consisting of villages, town squares, shopping centers, and malls (the graphical user interface displays the hierarchically organized graphical representations of items or groups of items that are available to be ordered, see at least column 1, lines 31-40 and column 3, lines 46-52). (*Action dated 10/31/2007, item 14, pg. 6; and Action dated 06/12/2008, item 12, pg. 5*)

Again however, this is simply wrong. The cites here have no teaching or reasonable suggestion of stores, aisles therein, or of units of service. Even more clearly, there is no support in Subler for villages, town squares, shopping centers, or malls. As for the added parenthetical comment, hierarchically organization in a GUI in general is irrelevant and that items are displayed in a hierarchy to be ordered (bought) is also irrelevant. For example, if one wants to buy a candy bar and an automobile part. In a town square one walks into a candy store, makes a purchase, walks across the street to the auto parts store and makes another purchase. Nothing in Subler teaches or reasonably suggests a GUI, regardless of how things in it are organized, that resembles a town square or provides such a user an experience.

VII(C)(ii) THE REJECTION OF CLAIMS 26-28

Claim 26 is independent and claims 27-28 depend from claim 26. The Examiner has taken the position that these are subject to rejection under the same rationale as claim 12 (see e.g., *Action dated 06/12/2008, items 13 and 15, pg. 6*). For the same reasons presented above for claim 12, however, we urge that claims 26-28 are allowable.

VII(C)(iii) THE REJECTION OF CLAIMS 29-31

Claim 29 is independent and claims 30-31 depend from claim 29. The Examiner has taken the position that these are also subject to rejection under the same rationale as claim 12 (see e.g., *Action dated 06/12/2008, items 13, pg. 6*). First, for the same reasons presented above for claims 12-15, we urge that claims 29-31 are allowable.

Second, the Examiner has overlooked a major limitation in claim 29. The Actions state "Regarding [a first limitation] and the limitation "executable software ..." recited in claim 29 are also disclosed by Subler (see at least column 5, lines 19-30 and column 1, lines 25-28)" (*N.b., ellipsis here in the original; Action dated 10/31/2007, item 15, pg. 7; and Action dated 06/12/2008, item 13, pg. 6*). Claim 29 recites "wherein at least one said asset is an executable software that is pre-configured to run from said hard drive once it is installed in the personal computer." Seemingly by very definition, Subler's CD-ROM cannot include software that is pre-configured to run from a hard drive once it is installed (i.e., somehow "imaged" onto the hard drive to use current terminology). This would presume that a software asset (an instance of what Subler terms a valued item (28) (*see e.g., col. 4, ln. 30-32*) is somehow pre-configured so that it

could run on any PC into which it might be installed. And this overlooks the fact that the valued item (28) would have to be copied from Subler's CD-ROM into the memory of its end user system (36) and from there installed to a hard drive, something which it nowhere teaches.

As for the cites, at col. 5, ln. 19-30 Subler is clearly discussing its order taking software, not software as an asset of digital content which might be the goods constituting an order. Similarly, at col. 1, ln. 25-28 Subler says "A bundle stored on the CD-ROM may include not only the content which interests the end user ..., but also executable programs which enable the user to find and make use of the content." The clear meaning here again is these "executable programs" are merely Subler's order taking software.

In sum, here as well a prima facie case for the rejection has not been established (and based on the combination of Subler and Hurly simply cannot be establisher).

VII(D) ARGUMENTS — SUMMARY

As has been shown herein, the Examiner has erred by rejecting Appellant's claims. We respectfully ask the Board to reverse the Examiner and to now permit passage to issue of claims 1-15 and 26-31.

VIII CLAIMS APPENDIX
(37 C.F.R. § 41.37(c)(1)(viii))

The text of the claims involved in the appeal are:

1-11 (Cancelled).

12. A method for marketing digital content, comprising:

a) storing an inventory of assets in a hard drive of a personal computer prior to delivery of said personal computer to a user, wherein said assets are instances of the digital content and are protected from unauthorized use by a digital wrapper requiring at least one key for unwrapping;

b) subsequent to said delivery of said personal computer to said user, displaying on the personal computer information about said inventory;

c) accepting a selection representing a particular said asset from said user;

d) transmitting money representing payment for said selection and an identifier associated with said selection from the personal computer to a clearing house, via a communications system;

e) receiving at least one key associated with said selection at the personal computer; and

f) unwrapping said digital wrapper protecting said selection using all said keys required for said selection.

13. The method of claim 12, wherein:

said (e) includes:

1) receiving at the personal computer a first said key from said clearing house;

2) transmitting from the personal computer said first said key to a master server, via said communications system; and

3) receiving back at the personal computer a second said key from said master server.

14. The method claim 12, wherein said (b) through said (f) are performed using a graphical user interface that presents said assets metaphorically as merchandise and units of service in aisles of stores.

15. The method of claim 12, wherein said graphical user interface further presents said stores metaphorically as a member of the set consisting of villages, town squares, shopping centers, and malls.

16-25 (Cancelled).

26. A system for marketing digital content to a user on a personal computer, comprising:

a hard drive installed in the personal computer, wherein an inventory of assets are stored in said hard drive, said assets are instances of the digital content, and said assets are protected from unauthorized use by a digital wrapper requiring at least one key for unwrapping;

a logic in the personal computer to:

display information about said inventory to the user;

accept a selection by the user of a particular said asset;

receive all said keys required for unwrapping said selection; and

unwrap said digital wrapper protecting said selection.

27. The system of claim 27, wherein:

said hard drive is installed by a manufacturer of the personal computer with said inventory already pre-stored therein.

28. The system of claim 27, wherein:

the personal computer includes a communications unit; and

said logic is further to:

transmit money representing payment for said selection and an identifier associated with said selection, via said communications unit to a remote location; and

receive at least one of said keys required for unwrapping said selection, via said communications unit from said remote location.

29. A unit for use in marketing digital content to a user of a personal computer, comprising:

a hard drive for installation into the personal computer, wherein:

an inventory of assets are stored in said hard drive;

said assets are instances of the digital content, wherein at least one said asset is an executable software that is pre-configured to run from said hard drive once it is installed in the personal computer; and

said assets are protected from unauthorized use by a digital wrapper requiring at

least one key for unwrapping.

30. The system of claim 29, wherein:

said hard drive includes a client logic that is installable into the personal computer,

wherein said client logic is to:

display information about said inventory to the user;

accept a selection by the user of a particular said asset;

receive all said keys required for unwrapping said selection; and

unwrap said digital wrapper protecting said selection.

31. The system of claim 30, wherein said client logic is further to:

transmit money representing payment for said selection and an identifier associated with said selection, via a communications unit to a remote location; and

receive at least one of said keys required for unwrapping said selection, via said communications unit from said remote location.

IX EVIDENCE APPENDIX

(37 C.F.R. § 41.37(c)(1)(ix))

NONE.

X RELATED PROCEEDINGS APPENDIX

(37 C.F.R. § 41.37(c)(1)(x))

NONE.

XI OTHER MATERIALS THAT APPELLANT CONSIDERS NECESSARY OR DESIRABLE

NONE.

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